

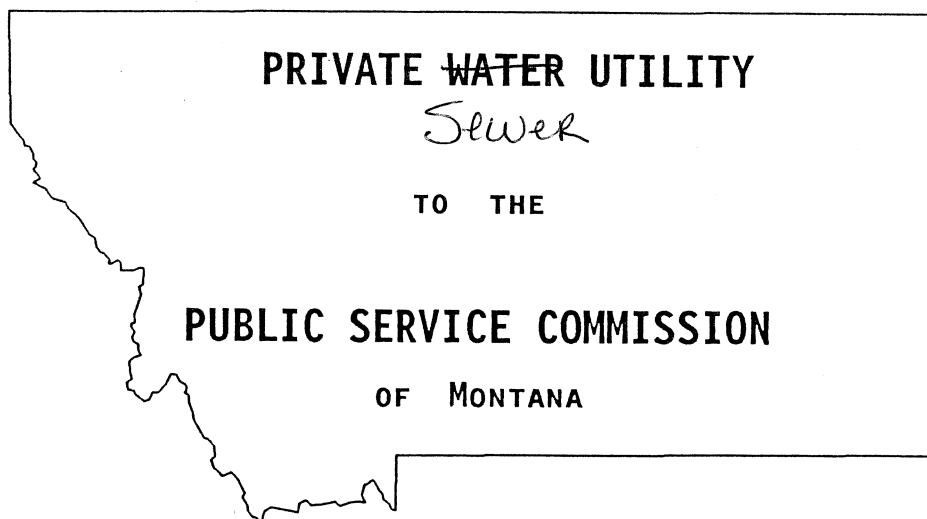
YEAR 2004

ANNUAL REPORT

OF THE

NAME TreeLine Springs, LLC.

LOCATION Moonlight Basin in Big Sky, Montana



FOR THE YEAR ENDING Dec. 31, 2004

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.
2. Interpret all accounting words or phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. Complete this report by means which result in a permanent record.
7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

TABLE OF CONTENTS

SCHEDULE	PAGE	
Identification	2	
Income Statement	3	
Balance Sheet	4	
Contributions in Aid of Construction	5	
Accumulated Depreciation & Amortization of Utility Plant	5	
Capital Stock	6	
Retained Earnings	6	
Proprietary Capital	6	
Long Term Debt	6	
Water Utility Plant Accounts	7	
Analysis of Accumulated Depreciation by Primary Account	8	
Payments For Services Rendered By Other Than Employees	9	
Water Operation and Maintenance Expense	9	
Water Customers	10	
Operating Statistics	10	

REPORT OF

Treeline Springs, L.L.C.
(Exact Name of Utility)

PO Box 1369

(Address)

Ennis, MT 59720

(City, State, Zip Code)

For Year Ended Dec. 31, 2004

Date Utility First Organized Jan. 1, 1999

Telephone Number 406-682-6666

Location where books and records are located 117 E. Main, Ennis, MT 59729

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Joe Vujovich, Vice Pres.	P.O. Box 1369 117 E. Main Ennis, MT 59729	XXXXXXXX
Person who prepared this report:	Jayne Shouse Accounting	P.O. Box 1369 117 E. Main Ennis, MT 59729	XXXXXXXX
Officers & Managers:			\$
			\$
			\$
			\$
			\$
			\$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Percent Ownership in Utility	Principal Business Address	Salary Charged Utility
Moonlight Basin Ranch, L.P.	100%	P.O. Box 1369 Ennis, MT 59729	\$ 18,539
			\$
			\$

INCOME STATEMENT

Account Name	Current Year	Previous Year
GROSS REVENUE:		
Metered		
Residential		
Commercial		
Industrial		
Other		
Unmetered		
Residential	44,322	19,615
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other <i>prior period depreciation adj.</i>	12,666	
TOTAL GROSS REVENUE	56,988	19,615
Operation and Maintenance Expense	36,573	24,986
Depreciation Expense	4,293	2,037
Taxes Other Than Income		
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	40,866	27,023
NET OPERATING INCOME (LOSS)	16,122	(7,408)
Other Income:		
Non-Utility Income		
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
NET INCOME (LOSS)	16,122	(7,408)

COMPARATIVE BALANCE SHEET

ACCOUNT NAME	CURRENT YEAR	PREVIOUS YEAR
Assets:		
Utility Plant In Service	117,760	106,000
Accumulated Depreciation and Amortization	(30,192)	(38,566)
Net Utility Plant		
Cash	2,268	1,510
Customer Account Receivable	2,030	(1,578)
Other Assets (Specify)		
Total Assets	91,866	67,366
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings		
Proprietary Capital	89,743	66,820
Total Capital		
Long Term Debt		
Accounts Payable	2,123	546
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction		
Total Liabilities and Capital	91,866	67,366

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year (Actual)	(38,564)	(36,529)
Credits During Year	(4,293)	(2,037)
Accruals Charged to Depreciation Account		
Salvage		
Other Credits (Specify)		
Total Credits	(42,857)	(38,566)
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
prior period depreciation adj.	12,665	
Balance End of Year	(30,192)	(38,566)

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year	Indicate "Cash or Property"	Amount
N/A		
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	N/A
State	
Total Accumulated Deferred Income Taxes	

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share	n/a	
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year	n/a	
Changes during year (Specify):		
Balance end of year		

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year (rounded up from 2003)	66,821	
Changes during year (specify):		
Cash Contribution - MBRLP	6,800	
Contributed Capital - Net Income 12/31/04	16,122	
Balance end of year	89,743	

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
n/a			
Total			

Sewer WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization				
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements	20,000			20,000
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs	0	11,760		11,760
308	Infiltration Galleries and Tunnels				
309	Supply Mains				
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment	16,000			16,000
330	Distribution Reservoirs and Standpipes				
331	Tranmission and Distribution Mains				
333	Services				
334	Meters and Meter Installations				
335	Hydrants				
339	Other Plant and Miscellaneous Equipment	70,000			70,000
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Sewer Total Water Plant	106,000	11,760		117,760

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements	30	%	.0333%	7,167	2,465	730	5,492
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs	30	%	.0333%	—		429	429
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains		%	%				
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip. <i>Sewer</i>	15	%	.0667%	5,797	1,900	601	4,498
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains		%	%				
333	Services		%	%				
334	Meier & Meter Installation		%	%				
335	Hydrants		%	%				
339	Other Plant & Misc. Equip.	30	%	.0333%	25,600	8,360	2,533	19,773
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
Totals					38,524	12,665	4,293	30,192
					(actual)			

Sewer

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	
Purchased Water Sewer	6,187
Purchased Power	
Fuel For Power Production	
Chemicals	
Materials and Supplies	11,058
Contractual Services	18,539
Rents	
Transportation Expense	
Insurance Expense	444
Regulatory Commission Expense	
Bad Debt Expense	
Miscellaneous Expense	345
Total	36,573

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, individual or organization of any kind whatever, amounting to \$500. or more. Utilities having revenue in excess of \$100,000 should report amounts of \$5,000 or more.

[illegible]

SOURCES OF WATER SUPPLY

Surface Water: River _____ Lake _____ Stream _____ Impounding Res. _____
 Ground Water: Springs No. _____ Shallow Wells No. _____ Deep Wells No. _____

Sewer

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
6"	7,400	0	7,400	0	0	7,400	7,400
8"	7,100	3,580	10,680	0	0	10,680	10,680
10"	1,100	0	1,100	0	0	1,100	1,100
Total							
	15,600	3,580	19,180	0	0	19,180	19,180

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs _____ Capacity in Gallons _____ n/a
 Number of Standpipes _____ Capacity in Gallons _____
 Method of Purification _____

SERVICES AND METERS

Services
 1/2 in. _____ 5/8 in. _____ 1 in. _____ 1 1/2 in. _____ 2 in. _____ 3 in. _____ 4 in. _____ 6 in. _____
 Meters

NUMBER AND CLASSIFICATION OF CONSUMERS

-Beginning of Year-

-Close of Year-

Classification	Metered	Unmetered	Total	Metered	Unmetered	Total	Increase or Decrease
Residential	0	139	139	0	143	143	+4
Commercial	0	1	1	0	1	1	0
Industrial	0	0	0	0	0	0	0
Fire Hydrants	0	26	26	0	34	34	+8
Governmental	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Total	0	166	166	0	178	178	+12

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year _____ gals.
 Maximum Water obtained all methods during any one day _____ gals.
 Minimum Amount of Water obtained all methods during one day _____ gals.
 Total Amount of Water passed through customers meters during year _____ gals.
 Range of ordinary pressure on mains _____ lbs. to _____ lbs.
 Range of fire pressure in mains _____ lbs. to _____ lbs.

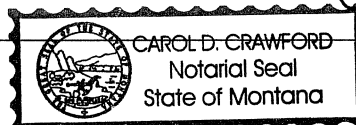
STATE OF MONTANA,)
County of Madison)

We, the undersigned, on our oath do severally say that the foregoing return the
TreeLine Springs, L.L.C., water utility, has been prepared
under our direction from the original books, papers and records of said utility and declare
the same to be a full, true and correct statement embracing all the financial transactions of
said utility during the period for which the return is made.

Jayne Shouse, Accounting

Subscribed and sworn to before me this 6th day of May, 2005.

Carol D. Crawford



Notary Public for the State of Montana
Residing at Ennis, MT
My Commission Expires Jan. 27, 2007